



# METAL THEFTS SLOWING, BUT FAR FROM OVER

/Kelly Foreman, Public Information Officer

/Photo by Elizabeth Thomas

► A giant crane moves large compartments of scrap metal at the Richmond Scrap Auto Recycling, Inc. in Richmond, Ky.

**T**he price of copper has taken a drastic dive, but that has not stopped criminals from stealing it.

Public utilities, railroads, plumbing in unoccupied homes, air conditioning coils, copper gutters — thieves have raided every possible outlet in search of a few extra bucks. Even in light of falling prices, the eastern part of the state in particular still suffers from the epidemic, said Kentucky State Police East Troop commander, Maj. Lynn Cross.

“We are still having to deal with it,” he said. “It is a major problem.”

Cross recalled a crime in which KSP Trooper Shane Goodall solved a case involving the theft of more than 200,000 feet of copper from an Ashland power company. The



/Photo by Elizabeth Thomas

criminals previously risked the theft and kept returning for more metal.

“Once he made the arrests, the copper theft in the area stopped,” Cross said.

Kentucky Utilities statewide media relations manager, Cliff Feltham said that while the thefts are an aggravation to power companies, KU’s greatest issue is the risk taken by the thieves that ultimately puts their employees and citizens in danger.

In many cases, the illegal pursuit of copper has cost scroungers their lives.

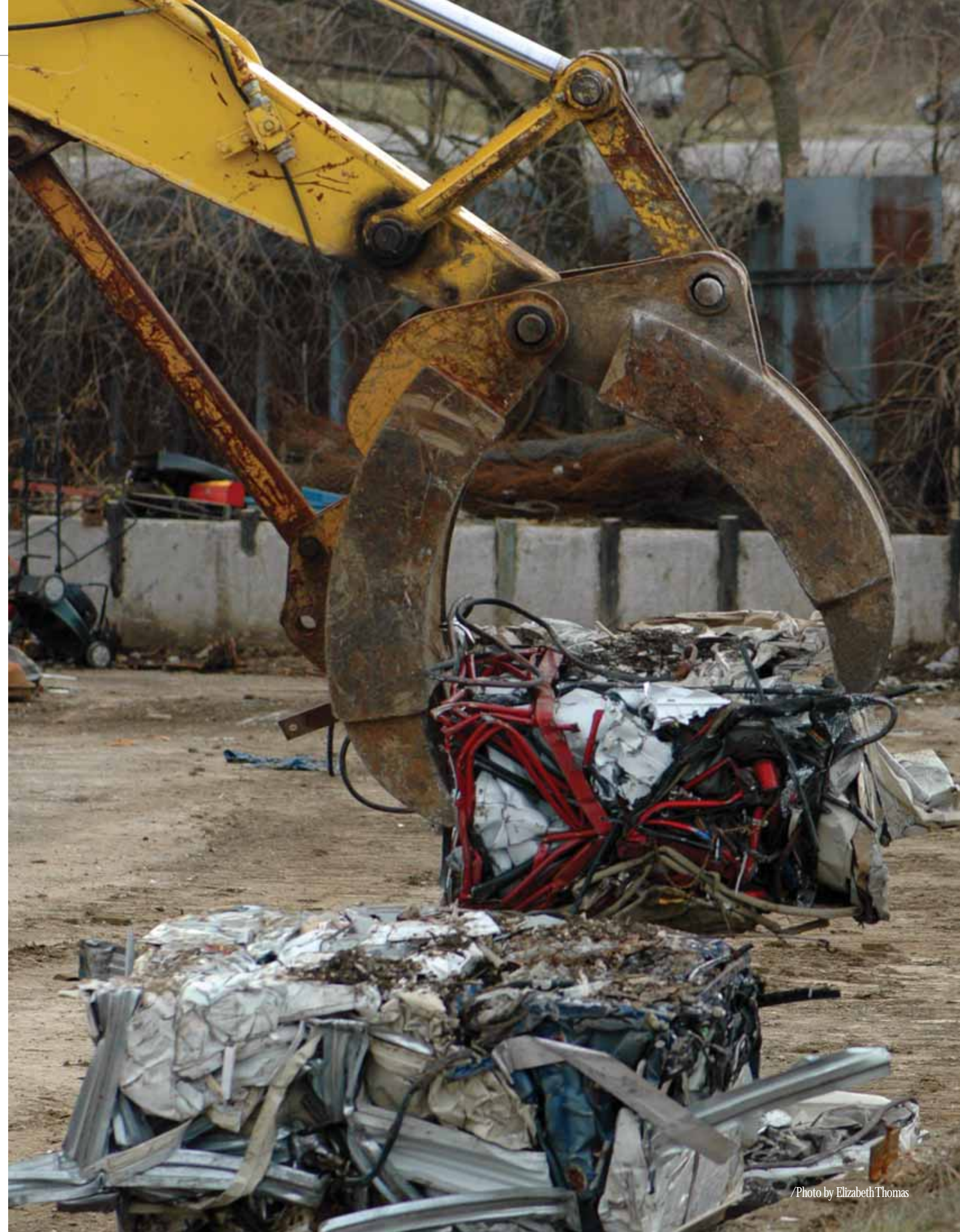
“We had at least two fatalities in 2007 and one or two in 2008, the most recent in August,” said Andrew Melnykovich, director of communications for Kentucky’s Public Service Commission. “That is better than the half-dozen in 2006. We certainly have seen a welcome trend in fewer fatalities, which I am not sure is related to the theft rates going down so much as it is to the realization that trying to steal copper from power facilities is extremely dangerous.”

Feltham agreed.

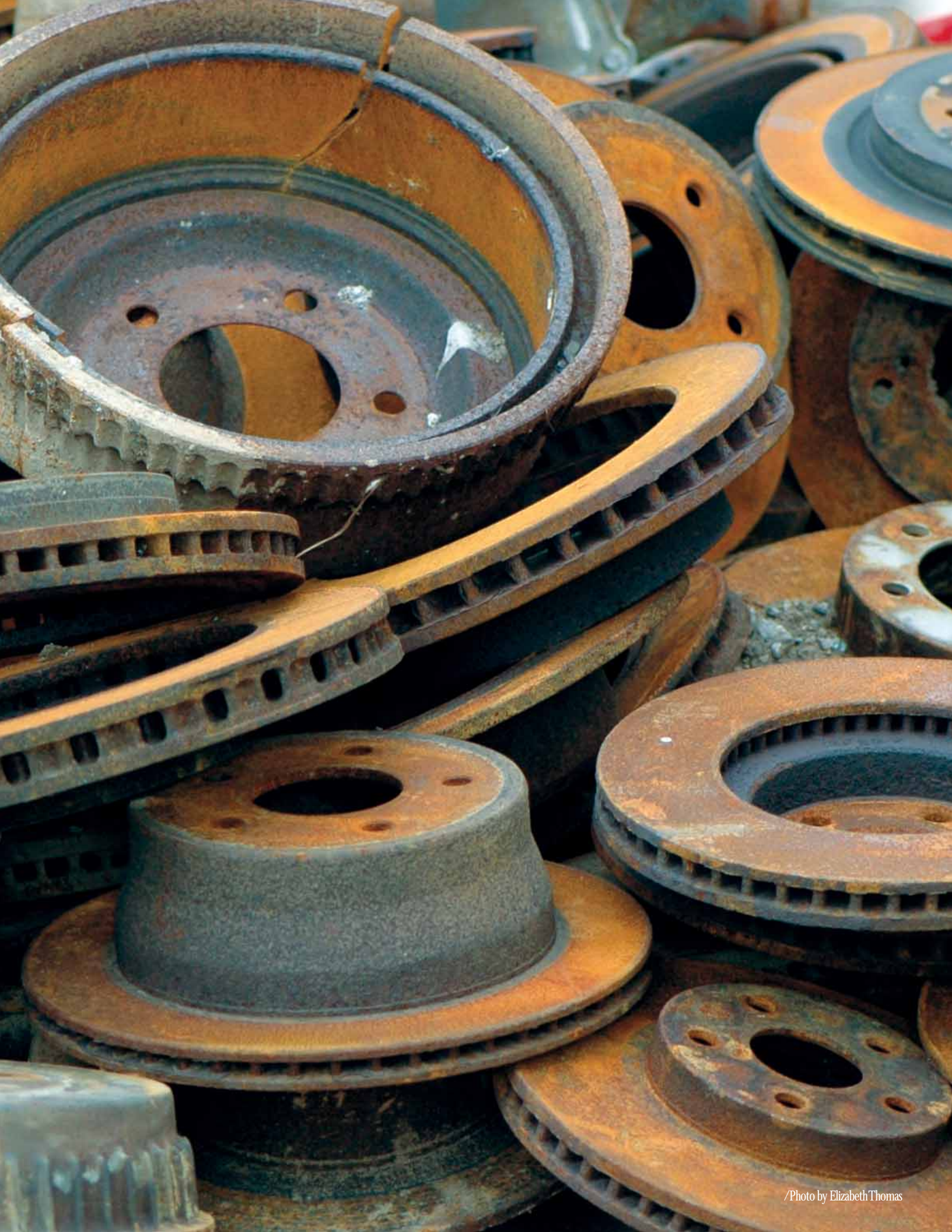
“On a number of occasions, vandals have gotten into our substations and have been lucky enough to get away with some metals without suffering injuries or getting killed,” he said. “In removing some of the metal, it has rendered our equipment unsafe ... generally the metal that grounds our substations has been taken and that makes things unsafe ... primarily for our employees.”

Melnykovich still is amazed by the “sheer stupidity” of some of the thefts that have resulted in fatalities, he said.

“We had one in 2007 where a guy in his 20s broke into a substation in Bell County and was electrocuted. He had his wife and young child along. The family loaded him into the car >>



/Photo by Elizabeth Thomas



/Photo by Elizabeth Thomas



and drove him to the hospital, where he was pronounced dead.”

### KRS 433

Lawmakers during the 2008 legislative session strengthened laws relating to metal scrapping, including a mandate that metal sellers produce identification before selling their scraps.

“It is an excellent law because they have to show ID when they bring stuff in,” Cross said. “Of course, I do not think they get too in-depth into actually where it comes from, but they do have to identify themselves as selling it, and tell who they are in the event something is reported. It is kind of like the pawn shop deal. We can track the tickets at the pawn shop, but now there is a mechanism in place to track people who scrap large amounts or small amounts, whatever the case may be, and it assists us in tracking those folks down.”

Richmond Scrap Auto Recycling, Inc. already was asking people for identification before the law went into effect last July, said Dwayne Thomas, the company’s chief financial officer.

“We pay cash, and anything over \$100 we have to report to the [Internal Revenue Service] anyway,” Thomas said. “So we had to have a name, address and phone number or some type of ID before we could pay them the cash, and then they had to sign for it, too.”

But when the price of copper and auto bodies sky rocketed, Thomas said it became more and more difficult to separate the honest sellers from the criminals.

“When the prices were up, we would have an average of 400 tickets per day through our pay window,” Thomas said. “The average we do is about 125 to 130 tickets per day, so year



over year we were up 300 percent.”

An increase in the price of auto bodies also led to an increase in thefts, Thomas said.

“When auto bodies went to \$400 a ton, people were pulling in cars they did not even own,” Thomas said. “For instance, we had a lady who was on her way to Lexington in an older van and it died on her and she could not get it going back ... The van sat there for two days because she was at the hospital trying to take care of her husband. The state police were going to have it towed and never did.

“Someone towed that van off the interstate and brought it in to a scrap dealer and scrapped it and sold it,” Thomas said. “So the lady lost her van, she lost what she had in the van and there was nothing that they could do because at that time there was no tracing mechanism.” >>

◀ Scrapyards pay metal sellers according to the weight of the metal. Copper and aluminum tend to yield a higher price per pound, but these brake drums and rotors from vehicles are heavy items, often making equal profit for the seller.



## Working together

Thomas knows there were criminals coming into RSAR during the highest times of customer traffic, he said. But his staff has been trained to watch for red flags and most have worked in the business long enough to know when something is not right. Thomas also works with local law enforcement to help identify those suspected of theft, he said.

Melnykovich said that cooperation from scrap dealers is key for law enforcement.

“[Scrap dealers] are required by state law to keep track of copper coming in the door — who brought it in, how much, etc.,” he said. “The big, reputable dealers have been pretty good about working with law enforcement to

notify them of questionable attempted sales and they try not to buy stuff they think might be stolen. But the mom-and-pops are a problem.”

KU has tried to make the process of identifying their stolen metals easier both for law enforcement and scrap dealers, Feltham said.

“We mark much of our equipment with micro encryption,” he said. “It is a system where we work with local police so they can know how to read the micro encryption to show that it is ours. It not only helps identify our equipment, but also serves to strengthen the prosecutor’s case if and when the issue is taken to court.

“We have also placed warning signs on the fences around the substation and at our supply rooms indicating that our equipment is marked,” Feltham said.

But Melnykovich said everyone — theft victims, law enforcement and scrap dealers alike — still has to work together to catch thieves and keep the costs of metal theft down.

“The losses still run into the tens or hundreds of thousands of dollars each year for individual utilities,” he said. “One damaged substation alone can be a huge bill.

“The best thing for law enforcement to do appears to be to work with local scrap dealers — make sure they are complying with the law and seek their cooperation in identifying and arresting sellers of stolen metals,” Melnykovich said. “If you can dry up the market for stolen stuff, there will be far less incentive for theft.” J



# METAL THEFT

The theft of metals — particularly copper, aluminum and steel — has become an epidemic in Kentucky, targeting houses, businesses and even churches. Kentucky officers have taken reports on thefts of drainage gates and the metal plates placed at the foot of veterans’ graves. The theft of such metal items as piping and electrical wire subjects property owners not only to the loss of the item, but also, for example, subjects them to damage if water pipes are removed and the water is left to flood the structure. Electrical-line thefts have fatally injured thieves, and caused service outages and excess costs to customers. Price increases of these materials, added to economic woes, led to the passage of House Bill 106, now codified in KRS 433.890 to 433.896. /Shawn M. Herron, DOCJT Staff Attorney

## HIGHLIGHTS

The following are minimum requirements for dealers in scrap metal. Local governments may enact stricter laws if a dealer (as defined by the statute) takes in one or more of the following items:

- a) catalytic converters
- b) metal beverage containers, over two liters, marked as returnable
- c) railroad rails
- d) nonferrous metals or alloys (Any metal other than iron, for example, aluminum and copper are nonferrous metals)
- e) objects containing any nonferrous metals

The dealer must keep a register with:

- A copy of an operator’s license or other government-issued identification. If the seller has a license on record with the dealer, he or she is not required to show it again, but it would be advisable to do so in case the information has changed.
- The license number of the vehicle used to transport the item.
- The time/date of the transaction.
- A description of the item, along with its kind and weight.

- The amount paid (total and by pound/ounce, etc.).

The seller must be at least 18 years of age and must provide the information above.

The form to be used for this purpose may be found online at [www.kentuckystatepolice.org/pdf/ferrous\\_metals.pdf](http://www.kentuckystatepolice.org/pdf/ferrous_metals.pdf). Paper copies of the forms may be obtained at any Kentucky State Police post. The register of these forms, and any photocopies of documents, must be kept for at least two years. When destroyed, the destruction must be done in such a way as would protect the seller’s information (burned or shredded). In lieu of destruction, the register may be turned over to law enforcement — and if the law enforcement agency then destroys the records, it must be done in such a way as would safeguard the seller’s personal information. (Law enforcement agencies receiving such information must keep it for two years, and treat it as described above.) If the seller goes out of business before the two years have expired, they must turn over all current records to law enforcement.

The dealer must also permit peace officers to inspect the register upon demand, and if necessary in an investigation, inspect the actual item as well. If an officer requests the register in writing, scrap dealers must communicate either by e-mail, fax or writing, the information on each transaction within 24 hours — and must continue to do so until the requestor to stop. (Requests can be specific to a particular transaction, or the agency may make a continuing request for all transactions.)

Sellers must keep the item in its original form, or keep a photo >>



tograph of the item for three business days from date of purchase – and longer if specifically requested by law enforcement. Officers may seize any items for which they have reasonable cause to believe is evidence of a crime.

These provisions do not apply to:

- (a) A motor vehicle, aircraft, or other item that is licensed by the state or federal government pursuant to a legitimate transfer of title or issuance of a junk title.
- (b) A firearm, part of a firearm, firearm accessory, ammunition, or ammunition component.
- (c) A knife, knife parts, accessory or sheath for a knife, or knifemaking products.
- (d) A nonreturnable used beverage container or food container.
- (e) Jewelry, household goods containing metal, garden tools, and similar household items, except for a catalytic converter or metal beverage container that is capable of holding more than two liters of liquid and which is marketed as returnable.
- (f) A single transaction involving a purchase price of \$10 or less, or more than two transactions with the same person involving a purchase price of \$10 or less in one, seven-day period shall be reportable transactions.
- (g) Material disposed of as trash or refuse that contains or may contain a catalytic converter, metal beverage container that is capable of holding more than two liters of beverage and is marketed as returnable, railroad rail, nonferrous metals or an alloy thereof, or an object that contains or may contain a railroad rail or nonferrous metals or an alloy thereof, which is collected by a municipal waste department or by a licensed waste hauler and no payment is made to the person from whom the material is collected by the person or agency collecting the material.
- (h) A catalytic converter, metal beverage container that is capable of holding more than two liters of beverage and marketed as returnable, railroad rail, nonferrous metal or

alloy thereof, or an object containing railroad rail, nonferrous metal, or an alloy thereof from a person who has maintained a record pursuant to this section to a person who is to further recycle the metal or object containing the metal.

- (i) A catalytic converter, metal beverage container that is capable of holding more than two liters of beverage and marketed as returnable, railroad rail, nonferrous metal or an alloy thereof, or object containing nonferrous metal or an alloy thereof under a written contract with an organization, corporation, or association registered with the commonwealth as a charitable, philanthropic, religious, fraternal, civic, patriotic, social or school sponsored organization.
- (j) A purchase, pursuant to a written contract, from a manufacturing, industrial or other commercial vendor that generates catalytic converters, metal beverage containers capable of holding more than two liters of beverage and which are marketed as returnable, railroad rail, nonferrous metal or an alloy thereof, or object containing nonferrous metal in the ordinary course of business.
- (k) An item purchased by, pawned to, or sold by a pawnbroker licensed pursuant to KRS Chapter 226, engaging in the business authorized by that chapter.
- (l) Any ferrous metal item, except for a catalytic converter, metal beverage container that is capable of holding more than two liters of beverage and is marked as returnable, or railroad rails.

In addition, no scrap metal dealer may accept beer kegs marked as property of a brewery or which has the keg markings obliterated.

Failure to keep the register or maintain the required records, or any other crime under this section, is a class B misdemeanor (fine no more than \$100, no more than 30 days in jail.) Someone who provides fraudulent identification, including license plates or ownership documents commits a class A misdemeanor. Of course, other criminal laws may also apply, if circumstances dictate, such as receiving stolen property or conspiracy to commit theft. J



■ Martin Police Department Officer Christopher Kidd, Basic Class No. 401, washes his eye after completing the OC, or pepper spray, practical of week 16. Recruits are exposed to the chemical agent and expected to complete a defensive tactics obstacle course before washing their eyes.

Photo by Elizabeth Thomas